

VZCZCXR06055

OO RUEHCN RUEHGH RUEHHM RUEHVVK
DE RUEHUL #4284/01 3490905

ZNR UUUUU ZZH

O 150905Z DEC 06

FM AMEMBASSY SEOUL

TO RUEHC/SECSTATE WASHDC IMMEDIATE 1945

INFO RUEHMO/AMEMBASSY MOSCOW 7734

RUEHBJ/AMEMBASSY BEIJING 1757

RUEHKO/AMEMBASSY TOKYO 1856

RUEHUM/AMEMBASSY ULAANBAATAR 1436

RUEHBK/AMEMBASSY BANGKOK 6426

RUEHPF/AMEMBASSY PHNOM PENH 0284

RUEHHI/AMEMBASSY HANOI 2039

RUEHGO/AMEMBASSY RANGOON 2431

RUEHML/AMEMBASSY MANILA 8669

RUEHCN/AMCONSUL CHENGDU 0088

RUEHGZ/AMCONSUL GUANGZHOU 1266

RUEHGH/AMCONSUL SHANGHAI 0073

RUEHSH/AMCONSUL SHENYANG 3249

RUEHHK/AMCONSUL HONG KONG 3058

RUEHHM/AMCONSUL HO CHI MINH CITY 0031

RUDKIA/AMCONSUL CHIANG MAI 0917

RUEHVK/AMCONSUL VLADIVOSTOK 1181

RHMFISS/COMUSKOREA J5 SEOUL KOR

RHHMUNA/CDR USPACOM HONOLULU HI

RHMFISS/COMUSKOREA J2 SEOUL KOR

RHMFISS/COMUSKOREA SCJS SEOUL KOR

UNCLAS SECTION 01 OF 04 SEOUL 004284

SIPDIS

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: PREF PHUM PGOV PREL KTIP KS KN

SUBJECT: NK REFUGEES: THE QUEST FOR STABLE EMPLOYMENT

¶1. (SBU) SUMMARY: Finding stable employment is probably the greatest challenge for North Koreans resettling in the ROK. The ROKG assigns North Korean refugees to employment officers, provides incentives, recruits employers, and subsidizes half of North Koreans' salaries to their employers for two years. Many North Koreans do not take advantage of such opportunities, however, or prefer to obtain irregular jobs so they can continue to collect welfare payments from the government in addition to their wages. Further, while most North Korean refugees are from marginalized and less educated groups, ROK law provides that educational and professional achievements in the North will be recognized in the ROK. In practice, however, this policy has limited value in professional fields. END SUMMARY.

STABLE EMPLOYMENT: AN UPHILL BATTLE

¶2. (SBU) Competing in the South Korean labor market is the major challenge for most North Korean refugees. Like other immigrant populations, North Koreans lack political, social, and job skills necessary in their new home. The director of a large non-government North Korean resettlement center told Poloff that many North Koreans have a difficult time adjusting to the ROK's capitalist, free-market society. Even if North Koreans understand capitalist principles in theory, putting these ideas into practice is difficult for many North Koreans, especially middle-aged refugees, who are used to working in a controlled economy. ROK National Human Rights Commission (NHRC) Chief Human Rights Policy Analyst Shim Sang-don similarly asserted that, due to differences in the economic systems, North Koreans often have a weaker work ethic, and may face difficulties maintaining employment in the ROK's hard-working society. North Koreans are also entering a competitive job market where the unemployment rate among new entrants is 15-20 percent.

¶3. (SBU) Many North Koreans are from marginalized classes in

North Korea, and would have difficulties in finding "good jobs" anywhere in the world. According to MOU statistics, the vast majority of North Korean refugees in the ROK were hard laborers, farmers, or homemakers in the DPRK.

¶4. (SBU) Even highly-educated North Koreans may find that their achievements are worth little in the ROK. Hanawon Career Counselor Jeon Youn-suk reported that the number of North Korean refugees with professional degrees or certificates has increased recently as the number of "planned defections" among such groups has risen. Under the 1997 Protection Act, North Koreans' academic achievements and qualifications are recognized in the ROK. In practice, however, KINU Senior Research Fellow Lee Keum-soon said that this is difficult because of the vast differences in education and skills acquired through the North and South Korean systems. Also, many professions credentials are granted by private organizations (e.g., the Korean Bar Association or Korean Medical Association) that do not recognize such North Korean qualifications, in large part because training in North Korea would not prepare refugees for practicing in their fields in the ROK. In addition, some NGOs also report that North Koreans may have difficulty in having their credentials recognized if they lack documents to prove their achievements. North Korea Database Center found that only half of North Koreans who tried to have their credentials recognized in the ROK were successful. Kookmin University scholar Andrei Lankov argued that this group of mid-level professionals is likely to suffer the most, but be the most important, after unification.

¶5. (SBU) According to the 1997 Protection Act, the ROKG

SEOUL 00004284 002 OF 004

offers supplementary education and retraining when refugees' professional qualifications are not recognized. For example, Hanawon's Educational Director Pak Yong-sok reported that, if North Koreans had studied medicine in the DPRK, they may be able to enter skip the first few years of medical school in the ROK. According to Hanawon's Jeon, as of late November a bill was pending before the National Assembly that would make it easier for North Koreans to have their past achievements recognized.

EMPLOYMENT UNDERREPORTED

¶6. (SBU) KINU's Lee said that many North Koreans have part-time or temporary jobs that they do not report so that they can continue to receive unemployment assistance. Estimating North Koreans' unemployment rate is therefore difficult; a study by North Korea Database Center estimated unemployment at 30 percent, while KINU estimates 14.7 percent unemployment. Other recent surveys estimate North Koreans' unemployment between 38 and 60 percent. A study by North Korea Database found that 75 percent of employed North Koreans hold irregular or day jobs; 57 percent had been employed in their current jobs less than six months; and 98 percent had changed jobs at least once. Chang Chin-yung, an employment assistance officer at Seoul's Nambu Employment Assistance Center, told poloff that many North Korean refugees have a negative view of stable employment because they believe that refugees who obtain irregular jobs are able to receive more money from the government. Indeed, one older female North Korean refugee complained to poloff that the ROKG should change its system so that North Korean refugees could continue to receive their unemployment payments while working. Chang also reported that some refugees are constantly worried about their situation due to the instability they have faced, and fear losing their government assistance.

HELPING NORTH KOREANS OVERCOME THE CHALLENGES

¶7. (SBU) As outlined in septels, the ROK provides North

Korean refugees with an employment protection officer in their communities who helps North Koreans obtain training and jobs. MOL also subsidizes 50 percent of North Koreans' wages for two years. In addition to resettlement assistance, the ROKG provides additional incentive payments up to KRW 15.4 million (USD 15,400) for North Koreans who complete training programs or obtain long-term stable employment. A female North Korean refugee who works as a housekeeper praised the incentives for refugees maintaining employment for at least one year. A male student refugee was less positive about the incentive program, however, noting that it is difficult for many North Koreans to meet the criteria necessary to receive the incentive payments, such as maintaining a certain GPA at University or completing a certain number of training hours. According to MOU statistics, the number of North Korean refugees seeking assistance in obtaining jobs increased after introduction of the incentive program.

¶8. (SBU) Poloff visited the Nambu Employment Assistance Center in Yeongdeungpo-gu, Seoul, on November 22. The large Center, housed in a modern building, was filled with teller-like stations where Koreans in need of employment assistance meet with job counselors. Employment officer Chang told Poloff that the Ministry of Labor's (MOL) main roles in assisting North Korean refugees are to provide employment counseling to refugees, help refugees find suitable employment, and provide subsidies to companies that employ North Korean refugees. MOL has 60 employment centers

SEOUL 00004284 003 OF 004

throughout the ROK, each of which has an officer designated to assist North Koreans in that area. According to Chang, employment officers do not receive lists of North Koreans in their area because of the sensitivity of such information, but are referred North Koreans by their welfare officers. North Koreans may also connect with employment officers through civil society organizations or learn of them through advertisements of their activities.

¶9. (SBU) The Nambu office, which oversees three districts that are home to 1,300 North Koreans, has been operating a pilot program since July 2006 to provide more comprehensive programming to North Korean refugees. The pilot program has divided North Koreans into three groups based on the time they have been in the ROK, but is focused primarily on helping recent Hanawon graduates quickly obtain stable jobs or enter job training programs. Poloff met with Chang in a large and well-equipped conference room, which she said is often used to host group events for North Korean refugees. Chang said that the Nambu Center's pilot program would be completed in December, and the Center would complete an evaluation and distribute a manual to other employment centers. Because the main emphasis of the program is on group activities, the program may not be applicable in areas with only a small number of defectors, Chang said.

JOB TRAINING

¶10. (SBU) Some North Koreans are interested in first receiving job training before looking for employment, Chang said. Hanawon career counselor Jeon told poloff that Hanawon recently put more emphasis on job training, which now comprises 40 percent of Hanawon's curriculum. Since May, Hanawon has worked closely with the MOL to develop enhanced vocational training programs, including an exchange program with a polytechnical school near Hanawon. This experience allows North Koreans to gain a sense of their interests, build confidence in their abilities, and provide the training necessary to get better jobs, Jeon said.

¶11. (SBU) Chang said that there are several large job training programs that North Korean refugees tend to be interested in, but refugees often have a difficult time adjusting to the classes due to educational gaps with their South Korean peers. MOL and the Nambu Center are therefore

working to develop training programs tailored for North Korean refugees. NK Net President Han Ki-hong argued that that job-training programs are focused narrowly on vocational and computer skills. The ROK should also provide programs and incentives for North Koreans to learn English and other skills, Han said.

ENTERING THE WORKING WORLD

¶12. (SBU) Some North Koreans want to immediately obtain a job without receiving additional job training. Hanawon's Jeon said that skilled jobs are difficult to obtain, and because many North Koreans want to obtain jobs right away, they often end-up with blue collar jobs. When North Koreans are ready to seek employment, Chang said that MOL tries to match refugees to employers based on their interests and abilities.

Chang reported that the Employment Center conducts outreach to companies to encourage them to hire North Korean refugees.

She said that many companies are hesitant to employ North Korean refugees because they do not have any experience with them, not because they are North Koreans. North Korea Database found that of North Koreans believe South Korean employers refrain from employing them for several reasons: 34

SEOUL 00004284 004 OF 004

percent cited prejudice; 29 percent identified differences in ability compared to South Korean colleagues; 29 percent said because their background from North Korea is not relevant; and 6.5 percent identified a preference for South Korean or foreign workers.

¶13. (SBU) Chang said that the Center provides employers with information to address any prejudices against refugees that employers might have. As part of its pilot program, the Center holds events for North Korean refugees and prospective employers so that employers can identify potential employees.

The Center also accompanies North Koreans to job interviews, and encourages companies to conduct interviews at the Center to help North Koreans feel more comfortable.

¶14. (SBU) Finding a full-time job is only half the battle, however, as Chang reported that many North Koreans quit their jobs without any notice. In the past, many North Koreans also were not very hard-working, Chang said. In recent years, however, more refugees are diligent and work very hard, which is helping to improve employers' image of North Koreans. Chang also noted that many North Koreans face difficulties in the workplace due to poor health. North Korea Database found that 24 percent of North Koreans identified health problems as a reason for difficulty at work (13 percent said lack of ability, 14 percent cited difficult relationships with co-workers, 16 percent cited low wages or lack of benefits, 2 percent cited unfairness in promotions, and 16 percent identified no problems).

¶15. (SBU) Many companies that hire North Korean refugees also employ foreign workers, and some refugees may quit because of poor working conditions, Chang said. The employment office encourages North Korean refugees to report problems with working conditions or discrimination to their employment officer, but Chang said that in most cases refugees quit their jobs before informing the employer or employment office of problems.

¶16. (SBU) To try to prevent problems with job discrimination or poor working conditions, the MOL requires employers who hire refugees to renew their government assistance agreement every three months, according to Chang. Chang said that MOL also tries to help North Koreans obtain jobs with companies that are members of the ROK's general insurance program. She reported that employment officers also follow-up with refugees once they obtain jobs to ensure that they are being treated properly. Chang said that, because the MOL provides subsidies to companies who employ North Korean refugees for their salaries, employment officers also check periodically

with the companies and refugees to ensure that the refugees are still employed at the companies receiving those benefits.

¶17. (SBU) While experience with refugees who quit suddenly makes some employers hesitant to hire refugees, Chang believed positive signs are starting to show, with more employers now willing to hire North Korean refugees. Still, MOU statistics indicate that more North Koreans are looking for jobs than the number of companies willing to hire them. As of June 2006, only 400 North Koreans had obtained regular jobs for which the ROKG paid employment subsidies, while the majority were employed in blue-collar jobs.

VERSHBOW